An Approach for Stable Input-Output Coefficients

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Abstract

Input-output models rely on cross section data of a specific year. Hence, non-stability of coefficients is considered as one of the major limitations of these models. This paper aims to propose a model to estimate time-series input-output technical coefficients. To this end, using a Cobb-Douglas production function assumption for sectors, an econometrics model is employed. The input-output tables of Iran for different years during 1991 to 2010 are used as database of the research. The stability of the technical coefficient is an advantage of the proposed input-output model, when compared with other current ones. Another advantage of the proposed model is its testability regarding the estimated technical coefficient.